



**CITY COUNCIL AGENDA**  
**SPECIAL JOINT CITY COUNCIL AND REDEVELOPMENT**  
**AGENCY BUDGET MEETING OF: MAY 20, 2003**

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- CALL TO ORDER
- ANNOUNCEMENT RE: COMPLIANCE WITH OPEN MEETING LAW
- PLEDGE OF ALLEGIANCE

**MINUTES:**

PRESENT: MAYOR GOODMAN and COUNCIL MEMBERS REESE, M. McDONALD, BROWN, L.B. McDONALD, WEEKLY, and MACK

Also Present: CITY MANAGER DOUG SELBY, DEPUTY CITY MANAGER STEVE HOUCHENS, DEPUTY CITY MANAGER BETSY FRETWELL, CITY ATTORNEY BRAD JERBIC, and CITY CLERK BARBARA JO RONEMUS

ANNOUNCEMENT MADE – Meeting noticed and posted at the following locations:

Las Vegas Library, 833 Las Vegas Boulevard North

Senior Citizens Center, 450 E. Bonanza Road

Clark County Government Center, 500 S. Grand Central Parkway

Court Clerk's Bulletin Board, City Hall

City Hall Plaza, Posting Board

(9:05)

**1-1**

MAYOR GOODMAN led the audience in the Pledge.

(9:05 – 9:06)

**1-23**

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**DEPARTMENT: FINANCE AND BUSINESS SERVICES**

**DIRECTOR: MARK R. VINCENT**

☐

**CONSENT**

☒

**DISCUSSION**

**SUBJECT:**

Public hearing and possible action regarding Fiscal Year 2004 City of Las Vegas Tentative Budget and Fiscal Year 2004 City of Las Vegas Final Budget, including the Five-Year Capital Improvement Plan

**Fiscal Impact**

☒

**No Impact**

**Amount:**

☐

**Budget Funds Available**

**Dept./Division:**

☐

**Augmentation Required**

**Funding Source:**

**PURPOSE/BACKGROUND:**

Discussion and possible action regarding the Fiscal Year 2004 City of Las Vegas Tentative Budget as filed with the Nevada Department of Taxation on April 14, 2003 and adoption of Fiscal Year 2004 City of Las Vegas Final Budget, including the Five-Year Capital Improvement Plan, as amended with guidance from City Council

**RECOMMENDATION:**

Staff recommends adoption of Fiscal Year 2004 City of Las Vegas Final Budget, including the Five-Year Capital Improvement Plan, as amended with guidance from City Council.

**BACKUP DOCUMENTATION:**

FY2004 City of Las Vegas Tentative Budget

1. Submitted at City Council – Letter from the Citizens Priority Advisory Committee
2. Submitted at City Council – PowerPoint presentation
3. Submitted at City Council – Final project list

**MOTION:**

**REESE – APPROVED – UNANIMOUS**

**MINUTES:**

MAYOR GOODMAN declared the Public Hearing open.

CITY MANAGER DOUG SELBY stated that it has been a challenging budget year. The budget process began with \$54 million in requests, above the City's forecasted revenues. The City Manager's Office has been working with staff and with the Council to develop a balanced budget. The total City budget is \$877 million, which includes capital and operating budgets.

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**MINUTES – Continued:**

The population continues to grow, currently standing at 535,000 people. The general fund appropriations are about \$380 million. The \$54 million included an initial request from the Las Vegas Metropolitan Police for \$28.6 million. Working with Metro that has been reduced to about \$10.3 million. It still does not satisfy their entire needs, but it goes a long way towards helping that important public safety issue.

In that budget effort, premium pay overtime budgets have been reduced from \$4.4 million to \$1.2 million. Requests for new positions from City departments totaled \$6.7 million. That is down to \$.8 million. Department non-labor originally was \$13.6 million in requests and that has been reduced to about \$2 million for utilities and \$.8 million for detention center medical services contracts. With these efforts and with the support of staff and the many efficiencies measures that the Council supported, he believes that a good operating budget can be obtained with just a million dollar deficit.

DEPUTY CITY MANAGER SELBY explained that a recent press release from Fitch reaffirmed the ratings of the City of Las Vegas existing bonds as Double A. He read a paragraph from the press release describing how the Double A rating reflects sustained growth in Las Vegas's large and diversified economic base, relying on tourism and gaming, sound financial performance, moderate debt burden, and prudent debt and financial policies. Las Vegas maintains healthy fund balance levels that help offset concerns over a somewhat elastic revenue base by preserving substantial flexibility within the City's operating property tax levy. The City tax burden is low to moderate and will likely remain so given rapid amortization of outstanding debt. This is a tribute to the sound financial policies this Council has implemented and supported and that Finance and Business Services has helped maintain.

DEPUTY CITY MANAGER SELBY introduced MARK VINCENT, Director, Finance and Business Services, CANDY FALDER, Budget Manager, who reviewed the slides on a PowerPoint presentation regarding Citywide Appropriations, General Fund Expenditures, General Fund Revenues, General Fund Operating, Expenditure Adjustments, Capital Projects, Estimated Annual Fiscal Impact, Budget Policies, and the Redevelopment Agency Budget. Upon discussing the General Fund Expenditures, MR. VINCENT indicated that the City Council set a very high priority in

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**MINUTES – Continued:**

public safety, which is 60% of the General Fund Budget, which includes the City's contribution to the Las Vegas Metropolitan Police Department, as well as fire services, traffic and detention and enforcement. Half of the revenue source comes from consolidated tax, which is about 84% in sales and use tax, highly elastic and driven by the local economy. Upon the Council's direction during the budget workshop, the General Fund Revenue includes approximately a million dollars in charges for services for Public Works that the Council has already approved for their developing services support.

Referring to the General Fund slide, MR. VINCENT explained that the tentative budget was filed with a \$7.8 million deficit and pointed out that the expenditures show \$2.2 million increases and \$2.2 million decreases. Because of the delays and the final negotiations with the classified employees bargaining unit, as well as the PPA and POA bargaining units, the money that was budgeted for in fiscal year 2003 for cost of living increases for those bargaining units will carry over and will be in the fund balance at the beginning of fiscal year 2004, which is the time the final determination will be made. Therefore, the \$3.6 million in retroactive salaries is a one-time adjustment out of the fund balance. That leaves a net operating deficit of just under a million dollars.

During the budget workshop 26 full time equivalent positions were eliminated. These were positions that had been vacant for some time. As a result of the Position Justification Committee Review, meeting with the City Manager and applicable departments, those positions were eliminated. As a result of Council's guidance provided at the budget workshop, the travel budget has been reduced by 10%. Limitations were implemented on executive compensation and the City Talk Magazine was suspended, each at a savings of \$100,000. As far as increases, 13 positions were re-established. Even though 16 were eliminated, there were areas where a need was identified for additional services, primarily in the area of Marshal and detention, as well as in the senior center at Mirabelli and the need for theater technicians because of the increase in events.

MR. VINCENT outlined the capital projects and the funds allocated during the budget workshop. He explained that three new projects identified during the workshop will not appear on the new

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**MINUTES – Continued:**

list, and are not currently funded. One was the original fire training center design, the Bradley Grand Teton Park Construction and the Bradley Horse Equestrian Park. In addition, the entire construction of the vocational high school complex will not be funded. He pointed out that, as parks projects are identified, the commitment is made to continue to maintain, program, operate the costs involved.

MR. VINCENT submitted a letter from the Citizens Priority Advisory Committee with a recommendation to increase the fund balance reserve policy from 10 to 12 percent. The reason they agreed with that recommendation was, historically since 1995 the City has been at or above the 12 percent fund balance. Furthermore, the Government Finance Officers Association, which makes recommendations of best practices, one of the recommendations for best practice on fund balance is that, depending on the circumstances, the government entity should have a fund balance equivalent to one to two months of general fund expenditures. In the case of the City of Las Vegas, it does not have a formal “rainy day” fund. A two-month fund balance would equate to about 16.7%. Raising the fund balance policy from 10 to 12 would actually put in the policy what the City’s practice has been in these last seven years, as well as help with future bond ratings.

MR. VINCENT stated that there is no change in the Redevelopment Agency budget from the tentative budget. The vast majority of the tax increment revenue goes for debt service, 18% for Housing set aside, administration \$600,000 and the remainder goes for projects, which include contractual services for unspecified plan needs for consulting and professional services for next year.

MAYOR GOODMAN asked if the budget contemplates any adverse impact as a result of legislative action to balance the state budget as it pertains to SB308. MR. VINCENT replied that he believes SB308 is a dead bill. DEPUTY CITY MANAGER BETSY FRETWELL clarified that SB308, has introduced, did not make it out of the house of origin. Therefore, in effect that measure is dead. What the City has been cautious about is what might happen with the contents of that bill as the final bills make their way through and that being that it could be amended into another bill.

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**MINUTES – Continued:**

MAYOR GOODMAN indicated that he met with COUNTY MANAGER REILLY, who shares the same apprehension at what could happen up at the legislature. He asked MR. VINCENT what would happen if there is a tax shift after this budget is approved. MR. VINCENT replied that this budget does not contemplate any tax shift at this moment or any redirection of revenues because it is based upon on how the law is currently written. His understanding is that, particularly, with SB308, any tax shift would be delayed until Fiscal Year 04. DEPUTY CITY MANAGER FRETWELL added that oftentimes, if redistribution occurs, the Legislature will not do it in the current fiscal year. However, if they wanted to have an immediate impact on the State budget by redistributing the funding that currently goes to local government, they would have to amend how the City files its budget in order to accommodate that and to afford the local governments ample opportunity to adjust their revenue forecast and adjust their expenditures accordingly. MAYOR GOODMAN pointed out that the budget presented today is lean, one that reflects most of the expenditure is for public safety. If a tax shift is contemplated, they will be taking away from public safety. MR. VINCENT added that statistically over the last two years 112 public safety positions have been added. Sixty-three of those were funded from the Fire and Safety Initiative. That does not include the City's share of the new Metro positions that were funded as a result of the City's contribution. The non-public safety general fund positions have actually had a net reduction in the last two years of 24 positions, just as today 26 positions will be eliminated. MAYOR GOODMAN emphasized the importance of this information, especially for those people who will analyze this budget and will vote on a proposal such as SB308.

He asked MR. VINCENT what else the City is doing to save money. MR. VINCENT responded that in February 2001 a Position Justification Committee was implemented to review positions, and that is one of the reasons why positions are reduced in certain areas and then assigned in other areas. Today's budget contemplates the design of a new City Hall addition and the construction of the Records Archive and Storage Facility. These will save the City significant rental and lease costs, as well as create efficiencies for employees by having them all on this campus. In addition, the City continues outsourcing where it makes sense. He mentioned that the Council authorized to outsource things like custodial services, computer aided training, the operations of the golf course, the leisure facility at Durango Hills, and the Public Defender. The

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**MINUTES – Continued:**

City is currently in the midst of upgrading Oracle that will help the City provide quicker information relevant to decision making for the managers. There has been a 25% increase in transactions since Oracle was implemented five years ago. Because of this technology there has actually been a net reduction in accounting staff of about 7%. This current year the City implemented a Citywide work break down structure, something that has been used predominantly in Leisure Services to help understand the cost and the revenue drivers. In the near future the City is looking on moving forward with the concept called performance based budgeting where it will look at efficiencies and economies and relating that to performance of services. These are some of the kinds of things that help staff make decisions about reallocating resources.

COUNCILMAN REESE thanked staff and all department directors for a great job in preparing this budget.

Referring to SB308, COUNCILWOMAN McDONALD stated that the budget reflects just a fraction of the request in public safety areas that were made to the City by Metro, as well as needs in the City's own law enforcement. The Sheriff may possibly go before the voters in November of 2004 and between now and then there still may need to be a mid-year augmentation in January of 2004 and January 2005. She echoed the Mayor's comments that anything that might happen at the State level really does impact the public safety of the community. MR. VINCENT noted that the City's funding of Metro is a third of what the original request was.

COUNCILMAN MACK echoed his colleagues' sentiments and thanked staff for working harder with less. At the budget workshop he mentioned a concern about the need and demand for someone in the Planning Department, whether it be an inspector or whether to work directly with the homebuilder community on conditions of approval. Conditions are placed on residential developments pertaining to setbacks or landscaping and there is not enough staff to go out and monitor if those conditions are met. He would like to work closely with the homebuilders association and BOB GENZER, Director, Planning and Development Department, to develop a plan on ensuring the conditions are met.

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**MINUTES – Continued:**

He thanked the Council for working together to satisfy the needs of the whole community, especially toward capital improvement projects. It has been fair and really quantifies the needs of the community. He will be looking at utilizing the \$3.5 million of funds that are available through residential construction tax. He would like to hold those until he sees the Northwest Regional Plan and possibly use some of those dollars for a neighborhood component. He spoke with COMMISSIONER MAXFIELD, who also committed some dollars for a restroom facility and picnic area at Joe Neal Park. Likewise, using those dollars for improvements at Sunny Springs and Mountain Ridge. In the next calendar year, if additional funds are available, he would like to work together with the Clark County School District on the design of the multiplex softball facility, since the school district has already hired a firm to do the design. Working collaboratively with their architect will save taxpayers dollars for flood studies and off site improvements.

COUNCILMAN BROWN publicly thanked the members of the Citizens Priority Advisory Committee. COUNCILMAN BROWN pointed out that today's budget is the culmination of six months of work from individual employees through department directors. He thanked the City Manager's Office and staff for their work in the budget process. With a lot of the uncertainty in Carson City and the uncertainty in the economy, it is good to see that it is still close to what this Council has adopted, as far as the overall approach.

He acknowledged the success of technology becoming more efficient in providing City services. Each employee and each department is encouraged to continually look at those improvement opportunities, be it maintenance, recreational, project management, etc. This should be incorporated into some kind of process improvement initiative, possibly through a reward program or a recognition program. It is the small incremental changes that were made over the past few years that is starting to payoff dividends for the overall budget process.

The City Talk that is being suspended is an example of what the City is doing towards expenditure adjustments. It is not just the materials nor the mailing or printing cost, but the labor that is put into producing and mailing the newsletter. The ten hours of employee's time put into a newsletter or a publication that may not be critical from a policy standpoint is ten hours that



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**MINUTES – Continued:**

can be put into something more of a priority. There has been a remarkable shift seeing the approach that staff has toward this budget process and how seriously is taken. The money belongs to the people and the public official is elected to these positions to guard and be stewards of those dollars and the tax revenues received, and are able to explain where and why it is spent. Over the six years there has been some outstanding work done from the professionals at City Hall and he extended his thanks and appreciation.

The question of what is public service and what is the role of City government is becoming so prevalent nowadays. Over the past years the Council has demonstrated the ability to step up and explain to a constituent or the media what the City of Las Vegas is doing, and as importantly, the reasons why. He appreciates all the work that has been done. Many departments have stepped up and taken initiative to go beyond what the Council has asked. The ultimate reflection on all is, even with these uncertain times, a conservative budget is coming forward.

COUNCILMAN McDONALD stated that this budget is tight and the City has kept the cost down and the efficiency up for its constituents. He thanked MR. VINCENT, who had the difficult task to enhance the budget and give the Council what they asked for and still come back with a lean budget.

MR. VINCENT recognized and thanked DUNCAN R. LEE, BRIAN PEARSON, BEN JUDD, RONALD BUTTERS, JOHN MEDINA, JOSEPH SAYLES, and LORI HARRISON, members of the Citizens Priority Advisory Committee. They meet three times a year and work without any compensation and volunteer their time.

MAYOR GOODMAN pointed out that not only department directors or the Manager's Office, but also City employees have suggestions on how they think the City should save money. He received a suggestion to publish legal notices on the web site. Apparently, there is legislation to this effect taking place in the State of Kansas. MAYOR GOODMAN indicated that the City should explore this further. He asked BARBARA JO RONEMUS, City Clerk, how much money is spent yearly for publishing legal notices in local newspapers. MS. RONEMUS estimated that it might be \$45,000. Currently, the requirements are per the Nevada Revised Statutes and it would require legislation to change that.

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**MINUTES – Continued:**

TOM McGOWAN, Las Vegas resident, stated that the City and the governments of all local jurisdictions of Southern Nevada and Statewide should immediately demand to know how much is wasted by the government of the State of Nevada. The public needs to know this as soon as possible.

DAN CONTRERAS, Bonanza Village, expressed concern about the Bonanza Village wall maintenance. A letter sent by the City of Las Vegas stated that if the association did not maintain the wall, the City would ultimately maintain the wall if money were available. He expressed concern about the senior citizens not having enough money to pay for the SID and ultimately losing their homes. He asked if there is a way to defer these payments for the senior citizens.

Addressing redevelopment in West Las Vegas, he indicated that a lot has been done with COUNCILMAN WEEKLY'S help. He asked what will happen to the building once the VA Center moves out. He indicated that construction on property located on Owens and H was to be completed by July 2003, but the land is still vacant. Fines should be issued to property owners who do not provide a timely project. There are many issues in West Las Vegas that should be addressed; the vagrants, boarded buildings, day laborers still being picked up and panhandlers along MLK and Rancho. He hopes that within the budget there is money for Neighborhood Services to conduct a study on the number of boarded houses and vacant parcels that do not generate revenue in West Las Vegas, a study similar to what was done in Meadows Village. There is a high concentration of HUD subsidized housing and Section 8 housing, as well as group homes and drug treatment centers. All these issues need to be addressed.

MR. CONTRERAS commended COUNCILMAN McDONALD for what he has done for Ward 1. Residents of that ward should remind themselves that they have someone in the Council that cares. The Alta Drive project should be a prototype for every City project.

No one appeared in opposition.

There was no discussion.

MAYOR GOODMAN declared the Public Hearing closed.

NOTE: All discussion pertaining to Item 1 and Item 2 took place under Item 1.

(9:06 – 9:58)

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**DEPARTMENT: FINANCE AND BUSINESS SERVICES**

**DIRECTOR: MARK R. VINCENT**

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**CONSENT**

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**DISCUSSION**

**SUBJECT:**

Public hearing and possible action regarding Fiscal Year 2004 City of Las Vegas Redevelopment Agency Tentative Budget and Fiscal Year 2004 City of Las Vegas Redevelopment Agency Final Budget

**Fiscal Impact**

☒

**No Impact**

**Amount:**

☐

**Budget Funds Available**

**Dept./Division:**

☐

**Augmentation Required**

**Funding Source:**

**PURPOSE/BACKGROUND:**

Discussion and possible action regarding Fiscal Year 2004 City of Las Vegas Redevelopment Agency Tentative Budget as filed with the Nevada Department of Taxation on April 14, 2003 and adoption of the Fiscal Year 2004 City of Las Vegas Redevelopment Agency Final Budget.

**RECOMMENDATION:**

Staff recommends adoption of Fiscal Year 2004 City of Las Vegas Redevelopment Agency Final Budget, as amended with guidance from City Council.

**BACKUP DOCUMENTATION:**

Fiscal Year 2004 City of Las Vegas Redevelopment Agency Tentative Budget

**MOTION:**

**REESE – APPROVED – UNANIMOUS**

**MINUTES:**

MAYOR GOODMAN declared the Public Hearing open.

MARK VINCENT, Director, Finance and Business Services, CANDY FALDER, Budget Manager, reviewed the slides on a PowerPoint presentation.

No one appeared in opposition.

There was no discussion.

MAYOR GOODMAN declared the Public Hearing closed.

NOTE: All discussion pertaining to Item 1 and Item 2 took place under Item 1.

(9:06 – 9:58)



**AGENDA SUMMARY PAGE**  
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**CITIZENS PARTICIPATION:**

Items raised under this portion of the City Council/Redevelopment Agency Agenda cannot be deliberated or acted upon until the notice provisions of the Open Meeting Law have been met. If you wish to speak on a matter not listed on the agenda, please step up to the podium and clearly state your name and address. In consideration of others, avoid repetition, and limit your comments to no more than three (3) minutes. To ensure all persons equal opportunity to speak, each subject matter will be limited to ten (10) minutes.

**MINUTES:**

TOM McGOWAN, Las Vegas citizen, thanked the City Council for their excellent work. He referred to the numerous attacks in Israel. Foreign and domestic terrorism is a major concern. Terrorism needs to be prevented by being proactive, innovative and creative. The City Council has a responsibility to ensure the safety of every citizen and this topic should be discussed 24-7 without limitation.

(9:58 – 10:00)

**1-1777**

**MEETING ADJOURNED AT 10:00 A.M.**